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# COMMONWEALTH OF VIRGINIA, ex rel.

### STATE CORPORATION COMMISSION

**CASE NO. PUC000003** 

<u>Ex Parte</u>, In re: Investigation of the appropriate level of intrastate access service prices

## **HEARING EXAMINER'S RULING**

### **September 20, 2000**

On August 22, 2000, Staff of the State Corporation Commission ("Staff") filed a Motion for Further Extension of Procedural Schedule to extend the procedural schedule established by ruling on March 16, 2000. That ruling extended several filing requirements and the hearing, including the following:

Staff Report Due August 29, 2000
Rebuttal Testimony Due September 26, 2000
Hearing Beginning October 24, 2000

Staff states that additional time is necessary to complete its analysis of access charges in this case, because the volume of documents to review and complexity of studies and issues warrant additional time. Moreover, Staff is conducting ongoing discussions with Verizon South Inc., United Telephone-Southeast, Inc. and Central Telephone Company of Virginia (the "Sprint Companies"). Finally, Staff is working on the pending consideration of Staff's settlement with Verizon Virginia Inc. ("Verizon Virginia") that has been certified back to the Commission.

Staff requests that the procedural schedule in this case be extended as follows:

Staff Report Due December 8, 2000 Rebuttal Testimony Due January 8, 2001

Hearing Beginning January 22, 2001

Verizon Virginia, the Sprint Companies, AT&T Communications of Virginia, Inc., ("AT&T") and the Division of Consumer Counsel, Office of the Attorney General ("Consumer Counsel") filed comments on the Motion.

On August 25, 2000, Verizon South, Inc. filed a Motion for Extension of Procedural Dates in Case Nos. PUC960134, PUC970071, PUC970072, PUC980098, PUC990121, and PUC000003. Verizon South had previously filed a proposed settlement of all the referenced cases including this case. It withdrew that settlement proposal with the intent to file a revised proposal. On August 28, 2000, the Commission directed the Company to

file such a revised proposal by September 28, 2000, or respond to Staff Reports in the several Annual Informational Filing ("AIF") dockets by October 13, 2000. If such a settlement proposal is filed, it may affect this docket.

Verizon Virginia supports the Staff Motion in this case; however, on September 13, 2000, the Commission issued an Order on the Proposed Settlement offered by Verizon Virginia and Staff in this case. Therein the Commission severed and separately docketed consideration of the proffered settlement from this case. Comments in that newly docketed proceeding are due to be filed by September 26, 2000; replies, by October 10, 2000; and if a hearing is requested, it will be held on November 7, 2000.

The Sprint Companies advised that they also are in settlement discussions with the Staff and additional time can lead to settlement of the issues raised in this case and affecting their access charges. They support the Staff Motion.

AT&T understands that some reasonable extension is warranted for Staff to pursue additional settlements with the three remaining local exchange companies, but asserts that the extension sought by Staff is far too long and would thwart, rather than advance, Staff's settlement goals. It contends that with such a long delay the parties will not feel the pressure of looming litigation that so often yields movement towards settlement. AT&T would not object to extending the procedural schedule by approximately one month, and scheduling the hearing the week of November 13 to 17, 2000, to avoid the Thanksgiving holidays. It urges the Commission to make prompt resolution of this case a priority as it contends that Virginia continues to fall further behind other Mid-Atlantic states in reducing access charges.

The Consumer Counsel does not oppose an extension, however he suggested different dates than those requested by Staff. He recommends the date for filing Rebuttal Testimony be extended no sooner than January 18, 2001. The Consumer Counsel also raised his concern that Staff's proposed schedule allowed only fourteen days to review Rebuttal Testimony, which could be complex and filed by a number of parties, and prepare for hearing.

I find that an extension is warranted. The schedule recommended by AT&T, however, is unrealistic. Settlement negotiations are ongoing, and should be afforded time to continue. Verizon South has been provided additional time by the Commission to offer a proposed settlement of its access charges and several pending AIF cases that may affect this case. Staff and several parties to this case may be preparing for a November 7, 2000, hearing on the proposed settlement of access charges for Verizon Virginia.

The Consumer Counsel seeks more time than suggested by Staff. However, Staff's suggested deadline for Rebuttal Testimony appears reasonable. I recognize that the suggested thirty day period includes several holidays, but there is ample time now to begin preparation of rebuttal to testimony that has already been filed. Parties can then focus primarily on the Staff Report after it is filed on December 8. I do appreciate the Consumer Counsel's concern that the time between the filing of Rebuttal Testimony and the hearing

has significantly eroded as the schedule for this case has been adjusted. I therefore will extend the date for the hearing to January 29, 2001, one week later than requested by Staff. Accordingly,

### IT IS DIRECTED THAT:

- 1) On or before December 8, 2000, the Commission's Staff shall file an original and twenty (20) copies of a report, which may take the form of prefiled testimony, addressing the results of its investigation of the matters discussed herein;
- 2) On or before January 8, 2001, any party may file an original and twenty (20) copies of any rebuttal testimony they intend to introduce at the hearing on this matter;
- 3) All items required to be filed shall be contemporaneously served on counsel for each LEC and counsel for each Protestant;
  - 4) The public hearing scheduled for October 24, 2000, is cancelled; and
- 5) A public hearing will be convened beginning at 10:00 a.m. on January 29, 2001, in the Commission's Courtroom, Second Floor, Tyler Building, 1300 E. Main Street, Richmond, Virginia, to receive all other evidence on the issues.

Deborah V. Ellenberg
Chief Hearing Examiner